

DATE: December 27, 2004
TO: Municipal Clerk
FROM: Byron E. Johnson, C.P.M.
Director of Purchasing x 4313
THRU: Aurora Wells
Bid Clerk ext. 4038

Please place the following item on the **CONSENT** agenda for the Council Meeting of **JANUARY 11, 2005**.

Item should read as follows:

Contract No.: 2003-146 Mast Arm Poles
 Reliapole Solutions, Inc.
 Tomball, Texas

The Street Department & Purchasing Department request approval of change order to Reliapole Solutions, Inc. for Mast Arm Poles for an increase amount of \$16,601.67 (22.19 % of original awarded contract amount), Contract #2003-146.

Department: Street Department
Funds Available: 32010287-503203-01101
Funding Source: Street General Operating Funds

Total Change Order: \$ 16,601.67
District(s): All

Contact person: Jesus M. Juarez, Procurement Analyst at 541-4317.

AGENDA FOR: **JANUARY 11, 2005**

**CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)**

DEPARTMENT: _____ Street Dept. _____

AGENDA DATE: 1/11/05

CONTACT PERSON/PHONE: _____ Daryl W. Cole, 621-6750 _____

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

Approve a change order to Reliapole Solutions, Inc. for unit price increase. _____

BACKGROUND / DISCUSSION:

Reliapole Solutions Inc. is requesting a unit price increase for all line items on contract 2003-146 Due to the increase in prices of steel. Contract is for traffic signal poles and mast arms.

PRIOR COUNCIL ACTION:

_____ No. _____

AMOUNT AND SOURCE OF FUNDING:

__ Operating funds, 32000,01101, 32010287, 503203, no transfer necessary. _____

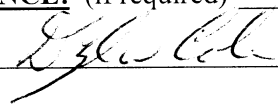
__ CIP 14200403, 508027, PBE04ST131 _____

BOARD / COMMISSION ACTION:

_____ N/A _____

*******REQUIRED AUTHORIZATION*******

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____ Daryl W. Cole, Streets Director  _____

COPIED: Patricia Adauto, DCM, Building & Planning Services

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

CONSENT AGENDA FOR January 11, 2005

DATE: December 27, 2004

TO: City Clerk

FROM: Byron E. Johnson, Director of Purchasing -541- 4308



Please place the following item on the CONSENT agenda for the Council meeting of January 11, 2005

Item should read as follows:

CONTRACT NO. 2003-146-Mast Arm Poles
RELIAPOLE SOLUTIONS, INC.
TOMBALL, TEXAS

The Street Department & Purchasing Department request approval of change order to Reliapole Solutions, Inc. for Mast Arm Poles for an increase amount of \$16,601.67 (22.19 % of original awarded contract amount). Contract #2003-146.

Department: Street Department
Funds Available: 32010287-503203-01101
Funding Source: Street General Operating Funds

Total Change Order: \$ 16,601.67
District(s) : All

JOE WARDY
MAYOR

JOYCE WILSON
CITY MANAGER

DARYL W. COLE
STREETS DIRECTOR



CITY COUNCIL

SUSAN AUSTIN, DISTRICT 1
ROBERT A. CUSHING, JR., DISTRICT 2
Alexandro Lozano, District 3
John F. Cook, District 4
PAUL J. ESCOBAR, DISTRICT 6
VIVIAN ROJAS, DISTRICT 7
ANTHONY W. COBOS, DISTRICT 8

STREET DEPARTMENT

TO: Jesus M. Juarez, Procurement Analyst
FROM: Daryl W. Cole, Streets Director *DWC 12/14/04*
SUBJECT: Change Order to Reliapole Solutions, Inc. for Unit Price Increase
DATE: December 14, 2004,

We have a letter from Reliapole Solutions, Inc. requesting a unit price increase for all line items on Contract 2003-146 due to the increase in prices of steel.

We are in agreement with their request and recommend the processing of change order.

Attached is a spreadsheet with the original contract unit prices and the new requested unit price.

Should you have any questions please contact me at 621-6750.

RELIAPOLE
14011 Park Drive
Suite 220
Tomball, TX 77377
www.reliapole.com

December 8, 2004

City of El Paso, Texas
Street Department - Traffic
7969 San Paulo
El Paso, TX 79936

Subject: Multi-term Contract for Traffic Signal Poles and Mast Arms

Mr. Delgado,

This letter is in reference to the continuation of the Multi-term Contract for Traffic Signal Poles and Mast Arms. Over the past year and a half the steel industry has experienced some of the highest price increases in decades. This steel epidemic has affected each and every pole manufacturer.

I have attached the chart showing the increase for iron and steel as shown by the U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov).

Series Id: WPU101
Not Seasonally Adjusted
Group: Metals and metal products
Item: Iron and steel
Base Date: 8200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2003	118.6	120.1	120.7	120.7	119.8	119.2	119.4	120.8	122.0	123.2	125.0	128.4	121.5
2004	134.0	143.6	150.3	154.4	155.3	155.2	169.4(P)	174.6(P)	172.9(P)	178.9(P)			

P : Preliminary. All indexes are subject to revision four months after original publication.

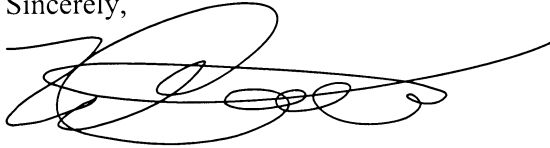
As you can see there has been a significant increase since when we bid on this project May 2003. The increase over the past 18 months is 49.33%. The steel makes up approximately 45% of the price of the poles and arms that we are selling to the City.

We have been fighting to keep these prices steady for the City over the past year and have watched our margins erode; now the increase is so high we will need to raise the unit prices in order to be able to continue and supply these materials to the City. We need to increase the price of all line items of the Blanket Contract 2003-146 (including PO 2005003879) by 22.19% to cover the associated price increase described above. This number is derived by taking the percentage increase of 49.33% and multiplying it by 45%

(the material content). I have attached a new chart to show you the new line item prices for the Contract.

We look forward to continuing doing business with the City of El Paso and its folks.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zachary Oliphant', with a long horizontal flourish extending to the right.

Zachary Oliphant
Sales Manager

cc Jesus Juarez



City of El Paso
Multi-Term Contract Pricing for Traffic Signal Poles and Mast Arms

Contract Item	Contract Quantity	UOM	Description	Original Unit Cost	New Unit Cost
1	1	EA	MAST ARM POLE, 20' ARM GALVANIZED	\$ 1,130	\$ 1,381
2	1	EA	MAST ARM POLE, 25' ARM GALVANIZED	\$ 1,150	\$ 1,405
3	1	EA	MAST ARM POLE, 30' ARM GALVANIZED	\$ 1,180	\$ 1,442
4	1	EA	MAST ARM POLE, 35' ARM GALVANIZED	\$ 1,260	\$ 1,540
5	1	EA	MAST ARM POLE, 48' ARM GALVANIZED	\$ 2,970	\$ 3,629
6	1	EA	TRAFFIC SIGNAL POLE ASSEMBLY FOR ITEM 4, CONSISTING OF SHAFT AND ANCHOR BOLTS ONLY, (NO MAST ARM), GALVANIZED	\$ 785	\$ 959
7	1	EA	MAST ARM POLE, 36' ARM GALVANIZED	\$ 2,583	\$ 3,156
8	1	EA	MAST ARM POLE, 32' ARM GALVANIZED	\$ 2,340	\$ 2,859

JOE WARDY
MAYOR



CITY COUNCIL

SUSAN AUSTIN
DISTRICT NO. 1

ROBERT A. CUSHING Jr.
DISTRICT NO. 2

JOSE ALEXANDRO LOZANO
DISTRICT NO. 3

JOHN COOK
DISTRICT NO. 4

DANIEL S. POWER
DISTRICT NO. 5

PAUL J. ESCOBAR
DISTRICT NO. 6

VIVIAN ROJAS
DISTRICT NO. 7

ANTHONY COBOS
DISTRICT NO. 8

OFFICE OF THE DIRECTOR OF PURCHASING
TWO CIVIC CENTER PLAZA
EL PASO, TEXAS 79901-1196

JUNE 27, 2003

RELIAPOLE SOLUTIONS, INC.
ZACHARY OLIPHANT
14011 PARK DRIVE, SUITE 220
TOMBALL, TEXAS 77377

RE: NOTICE OF AWARD, CONTRACT 2003-146, STREET DEPARTMENT
MAST ARM POLES, ITEM(s): #1 THRU # 8 (all)

Dear Mr. Oliphant:

The City of El Paso has accepted your offer in response to our Solicitation (IFB) number 2003-146, for the Street Department- Mast Arm Poles. Accordingly, you have been awarded referenced Contract, for items listed above, having an estimated value of \$74,816.00. The Purchase Order(s) encumbering funds for the anticipated requirements will be forthcoming from this department in accordance with the Availability of Funds clause.

The period of performance will be from June 25, 2003 thru June 24, 2005.

Said contract, comprised of the solicitation (IFB), your offer and the Purchase Orders, constitute a final and complete repository of the agreements between the City and the Contractor. It

communications, representations, or agreements, in any form, shall be subject to the terms and conditions of this Contract. Modifications to this Contract shall be in writing and signed by an authorized representative of the City of El Paso.

Juarez who can be reached at (915) 541-4317 or Fax (915) 541-4318. All questions you may have, and will assure that the correspondence regarding this Contract should be sent to the attention of Jesus M. Juarez.

Sincerely,

THE CITY OF EL PASO
For: Byron E. Johnson, CPM
Director of Purchasing

By: *Jesus M. Juarez*
Jesus M. Juarez
Procurement Analyst

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only - No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To
RELIAPOLE SOLUTIONS, INC.
Street, Apt. No.,
or PO Box No. 14011 PARK DRIVE, SUITE 220
City, State, ZIP+ 4 TOMBALL, TEXAS 77377

PS Form 3800, January 2001

See Reverse for Instructions

MOTION
JUNE 24, 2003

Motion made, seconded and unanimously carried to award Bid No. 2003-146
Mast Arm Poles

Award to:	Reliapole Solutions, Inc.
	Tomball, Texas
Item(s):	All (#1 thru #8)
Amount:	\$74,816.00 (estimated annually)
Department:	Street
Funds available:	31260001-32010288-508027-503203-PPW0303
Funding source:	General Funds-FY03- Certificate of Obligations
Total award:	\$74,816.00 (estimated annually)
District(s):	All

The Street and Purchasing Departments recommend award as indicated to the lowest responsive offer meeting specifications, from responsible parties.

The Vendor offers the City the option to extend the term of the contract at the same unit prices for one (1) or two (2) additional years if the option is exercised within one year from the date of the award.

This is a Requirements Type Contract with an initial term of Twenty-Four (24) months.

Richarda Duffy Momsen, City Clerk

20D